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UTAH STATE TAX COMMISSION

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NEWS RELEASE

No Jeopardy for State Taxpayers Who Participate in the IRS' Offshore Voluntary Compliance Initiative, says Tax Commission

Utah taxpayers participating in the IRS' Voluntary Compliance Initiative for Offshore Tax Shelters are encouraged to file or amend their state income tax returns and pay all tax, penalties, and interest by October 15 to avoid state prosecution, according to the Utah State Tax Commission.

The IRS program targets taxpayers that used offshore payment cards or other offshore financial arrangements to underreport their income and tax liability. The IRS is offering these people the chance to surrender information and avoid federal civil fraud penalties and criminal prosecution by correcting their tax returns and providing information.

"Utah will grant special consideration to taxpayers who participate in the IRS program and make amends with the state," said Commission Chair Pam Hendrickson. "This is an opportunity for taxpayers to avoid penalties and prosecution and begin with a clean slate."

Taxpayers have until April 15, 2003, to request to participate in the IRS' Offshore Voluntary Compliance Initiative as detailed in IRS Revenue Procedure 2003-11. Taxpayers must file federal returns reporting their correct tax amounts and pay any tax, interest, and penalties owed. They must also disclose all aspects of their offshore financial arrangements. The Tax Commission is now assuring taxpayers that if they cooperate with the IRS during their participation in the offshore initiative, the state will not pursue civil fraud penalties or criminal prosecution. However, taxpayers taking part in the federal program must correct their state tax filings now and pay the additional tax, penalties, and interest by October 15, 2003 to receive this treatment.

Interested parties should use the following address to notify the Utah State Tax Commission of their clients' participation or to correct underreported income tax liabilities and make payments.

Auditing Division
Offshore Voluntary Compliance Initiative
Utah State Tax Commission
210 North 1950 West
SLC, UT 84134-2200

Phone: (801) 297-4600
Fax: (801) 297-4799
E-mail: nexus@utah.gov
Internet: tax.utah.gov

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